

107TH CONGRESS  
1ST SESSION

# S. 287

To direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2001

Mrs. FEINSTEIN (for herself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. COST-OF-SERVICE BASED ELECTRIC ENERGY**  
4       **RATES.**

5       (a) FINDINGS.—Congress finds that—

6               (1) prices in the spot market for electric energy  
7       have consistently stayed at rates that are multiples

1 of the prices that prevailed last year and the year  
2 before;

3 (2) the price increases began in California and  
4 spread throughout the western energy market;

5 (3) the Federal Energy Regulatory Commission,  
6 in an order issued November 1, 2000, found that  
7 prices in California and the western energy market  
8 are unjust and unreasonable; and

9 (4) the high and volatile prices for natural gas  
10 are reflected in the costs of producing electricity.

11 (b) DEFINITIONS.—In this section:

12 (1) COMMISSION.—The term “Commission”  
13 means the Federal Energy Regulatory Commission.

14 (2) COST-OF-SERVICE BASED RATE.—The term  
15 “cost-of-service based rate” means a rate, charge, or  
16 classification for the sale of electric energy that is  
17 equal to—

18 (A) all the variable and fixed costs for pro-  
19 ducing the electric energy; and

20 (B) a reasonable return on invested cap-  
21 ital.

22 (3) PUBLIC UTILITY.—The term “public util-  
23 ity” means a person that owns or operates a facility  
24 that is subject to the jurisdiction of the Commission

1 under the Federal Power Act (16 U.S.C. 791a et  
2 seq.).

3 (4) WESTERN ENERGY MARKET.—The term  
4 “western energy market” means the States of Ari-  
5 zona, California, Colorado, Idaho, Montana, Nevada,  
6 New Mexico, Oregon, Utah, Washington, and Wyo-  
7 ming.

8 (c) COST-OF-SERVICE BASED ELECTRIC ENERGY  
9 RATES.—Not later than 60 days after the date of enact-  
10 ment of this Act, the Commission shall impose cost-of-  
11 service based rates on sales by public utilities of electric  
12 energy at wholesale in the western energy market.

13 (d) DURATION.—A cost-of-service based electric en-  
14 ergy rate imposed under this Act shall remain in effect  
15 until such time as the market for electric energy in the  
16 western energy market reflects just and reasonable rates,  
17 as determined by the Commission.

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